

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1806 - SB 2156**

February 6, 2014

**SUMMARY OF BILL:** Authorizes the chief inspector of boilers to grant variances to the requirements for frequency of boiler inspections and explains process to obtain inspection frequency variance.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – Exceeds \$100,000/Department of Labor**

**Decrease State Expenditures – Exceeds \$100,000/Department of Labor**

**Assumptions:**

- Fee revenue derived from boiler inspections is a dedicated source of revenue to the Department of Labor and Workforce Development (DLWD) for the purpose of conducting inspections.
- DLWD indicates the inspection fee to be \$40 per boiler per year.
- According to DLWD, this bill will apply to approximately 20,177 boilers in the state. As a result, recurring inspection fee revenue derived from the applicable boilers is estimated to be \$807,080 (20,177 x \$40) per year under current law.
- Based on information provided by DLWD, the bill will have the effect of eliminating inspections when the chief inspector permits any variance that allows a longer period of time to elapse between boiler inspections than the period of time that would elapse between boiler inspections under current law.
- The number of inspection variances that will be granted by the chief inspector as a result of this bill is unknown; however, and based on information provided by DLWD, it is reasonably estimated that the chief inspector will grant a number of variances sufficient to decrease fee revenue by an amount exceeding \$100,000 per year.
- As a result of fewer boiler inspections, DLWD will be able to reduce expenditures associated with boiler inspections. The recurring decrease in state expenditures is estimated to exceed \$100,000 per year.

## **IMPACT TO COMMERCE:**

**Decrease Business Expenditures – Exceeds \$100,000**

**Jobs Impact – Not Significant**

Assumptions:

- Granting boiler owners inspection variances will allow certain businesses to pay inspection fees less frequently than such inspection fees are paid under current law. Since the fees will be paid less frequently for some businesses, expenditure savings will accrue to those businesses over time. The recurring and cumulative decrease in business expenditures is estimated to exceed \$100,000 per year.
- Granting boiler owners inspection variances is not expected to impact the number of Tennessee jobs because the expenditure savings accruing to any one business in any given year is expected to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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